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BALANCE

REF: ANKARA 1627

Classified By: Ambassador Ross Wilson for reasons 1.4 (b) and (d)

11. (C) Summary: Prime Minister Erdogan's Justice and Development Party (AKP) government has worked to improve relations with Moscow, a process fueled by booming trade centered on energy, tourism, and construction. The GOT sees engagement of Russia as part of a wider policy of seeking good relations with all of its neighbors and regional powers. Turkish officials hope to parlay improving ties into Russian support on Cyprus and Armenia. Ankara also seeks to engage Russia in Black Sea security, even at the expense of increased NATO activity there. End Summary

-----Increased Cooperation: Theories

12. (C) Despite a history of bloody conflict in the Ottoman period and Cold War animosity, Turkey-Russia relations have improved significantly over the last several years. PM Erdogan has developed a rapport with Russian President Putin during four face-to-face meetings in 2005 alone. His government views Russia less as a rival and more as a partner with a "Eurasian" identity. In November 2001, the Turkish FM Cem and Russian FM Ivanov signed a "Joint Action Plan for Cooperation in Eurasia" entitled, "From Bilateral Cooperation to Multidimensional Partnership." President Putin and President Sezer signed the "Joint Declaration on the Intensification of Friendship and Multidimensional Partnership" during Putin's historic December 2004 visit. Enhanced relations dovetail with influential Prime Ministry advisor Ahmet Davutoglu's policy of "strategic depth," which dictates Turkey should have good relations with all its neighbors, even while pursuing EU membership.

Increasd Cooperation: Economy and Energy Issues are he Real Driver

- 13. (C) Increasing energy dependency, growing trade ties and tourism are driving relations forward. Some 65 of Turkey's natural gas comes from Russia. The GOT is conflicted on how to manage this reliance. Its officials sometimes speak of reducing this dependence; but, they also meet regularly with the GOR to seek agreement on a long list of potential energy projects (Bosphorus bypass oil pipeline, natural gas storage, natural gas distribution, natural gas processing, and more). Turkish Botas and Russian GAZPROM continue to manage energy partnerships, including new energy pipelines (the Blue Stream project) and are examining the feasibility of transporting incremental natural gas through Turkey, including to Israel.
- ¶4. (U) According to MFA and press figures, Turkish-Russian bilateral trade in 2004 exceeded USD 11 billion, and in 2005, USD 15 billion. Turkey seeks to increase this to USD 25 billion by 2007. Russian investment in the Turkish construction sector exceeded USD 12 billion in 2004. The number of Russian tourists, helped by eased visa requirements, grew from 1.2 million in 2003 to 1.9 million in 2005, making them second in number only to Germans visiting Turkey. Russian tourism fell somewhat after GOR warnings about Avian Influenza early this year. Turkish officials stress that growing economic interdependence has created a framework for regular dialogue with Russia and contributes to a more constructive discussion of bilateral and regional political issues.

Turkey's Equities: Black Sea

15. (C) Turkish officials are conscious that Russia is one of the more powerful economies represented in the Black Sea

Economic Cooperation (BSEC) organization. While BSEC has not been effective at facilitating cooperation among Turkey and the Black Sea states, it provides a framework for cooperation on maritime and port security, energy, and trade in the region. Turkey welcomes Russia's contributions to BSEC and looks for more. Turkish officials view the Montreux Convention, which restored Turkish sovereignty over the Bosphorus and Dardanelles in 1936, as a key to maintaining their interests vis-a-vis Russia and the Bosphorus free from legal wrangling. The GOT fears any reopening of Montreux could (at least in theory) allow the Russians to seek some measure of control over the Bosphorus -- a move that Turkey will not accept.

16. (C) Turkish officials stress that Turkey has worked hard since the 1990s to draw the other littorals -- especially Russia -- into cooperative security structures in the Black Sea. It convinced Moscow to participate in the Black Sea Naval Cooperation Task Group (BLACKSEAFOR). Russia agreed to join Operation BLACK SEA HARMONY (which provides data to NATO's comparable Operation Active Endeavor in the Mediterranean). A large-scale Turkish-Russian naval exercise took place February 27 and 28, in which the missile cruiser Moskva participated. The two countries' naval chiefs recently met in Istanbul (reftel). Turkey sees Russia's willingness to participate in OAE as a result of these Black Sea initiatives. It also fears a more robust role for NATO in the Black Sea could provoke Russia to cease its cooperation in the maritime security arena.

Cyprus, Central Asia and Caucasus

17. (C) Russia has historically aligned itself with Greek Cypriots and opposed Turkish interests on Cyprus issues in the UNSC. It reportedly continues to block UNSC approval of the Secretary General's 2004 report on his Cyprus Good Offices Mission, a report favorable to Turkey and Turkish Cypriots. In 2005, PM Erdogan pushed Putin for Russia to take a less anti-Turkish Cyprus stance during at least two face-to-face meetings. Putin reportedly responded

positively, and the Russian Ambassador here has spoken about the Cyprus in a more conciliatory way, but nothing tangible has occurred.

- 18. (C) Turkey and Russia compete for influence and trade in Central Asia. Turkish economic involvement in the region has grown, according to the Turkish MFA, to reflect a trade volume of USD 8.7 billion since 1992. Turkey has granted USD 726 million in credits to the region since its independence in efforts to make Central Asia an attractive area for Turkish businesses; the MFA claims more than 1000 Turkish firms currently operate in the region. Cast against a renewed version of the "great game" in which the U.S., China, and Iran are competing for influence over energy resources and, in the case of the U.S., an increased security presence to support the global war on terror, Turkish and Russian policies in the area contribte to an increasingly complex mix. While professing concern with corruption, human rights, and political freedom, Turkey sees this as a region where it can wield influence by focusing on economic issues, often in direct competition with Russia.
- 19. (C) Turkish officials see Russia and Georgia working together, although perhaps not deliberately, to thwart Turkey's good faith efforts to help with the Abkhazia conflict. In Turkey's view, Georgia has shown no interest in Turkey's offers to host a conference on Abkhazia and continues to harass Turkish shipping bringing humanitarian supplies to Abkhaz ports. Turkey has viewed Georgian President Saakashvili's criticism of Russia following the early 2006 gas crisis with alarm. In a mid-March visit to Tbilisi, Turkish President Sezer reportedly urged restraint vis-a-vis Russia. Turkish officials are also concerned at Georgia's eagerness for a NATO Membership Action Plan (MAP),

arguing that giving Georgia a MAP will prematurely commit NATO to a formal relationship with Georgia while unduly provoking Russia.

110. (C) On Armenia and Nagorno-Karabakh, Turkish officials see Russia firmly in Armenia's camp but also believe that Armenia, unlike Abkhazia and South Ossetia, does not constitute a Russian strategic interest. Turkish officials hope that, through broadly improved Turkey-Russia ties, Russia can be convinced to permit a settlement to the N-K conflict and encourage Armenia to take steps to improve bilateral ties with Ankara.

Official and Other Views

- 111. (C) Turkish officials such as MFA Russia Department Head Meltem Buyukkarakas and Energy Department First Secretary Gulsun Erkul speak glowingly of improving Turkey-Russia relations, noting that bilateral economic cooperation has laid a foundation for constructive political dialogue and created a framework for transparency between the two countries. While acknowledging that Russia's power is greatly diminished from the days of the USSR, they see Russia exerting considerable influence on regional issues critical to Turkish policy. They want Russia engaged in the Black Sea. They are cautious regarding the Caucasus, hoping for Russia's help with Armenia. They claim that Putin wants to do the right thing vis--vis Cyprus but is blocked by his bureaucracy.
- 112. (C) The conservative think tank TUSAM's vice president Ali Kulebi and some journalists view Turkish-Russian ties in the context of what they see as anti-Westernism. Others, such as Istanbul-based journalist Ivor Torbakov, point to growing anti-Muslim sentiment in Europe and AKP government fears that Turkey will ultimately not be invited to join the Western club, thereby pushing it closer to the other outsider -- Russia. Some argue that Turkey and Russia share a symbiotic foreign policy inclination that emphasizes status quo and stability over support for human rights and democratic change. German Marshall Fund country director Suat

Kiniklioglu wrote in a January 31 article that should Turkey,s increasing sense of alienation from the West continue, relations with Russia could develop into something more consequential.

13. (C) Comment: Growth in Turkey-Russia ties, at least in the fields of trade and energy, is real. The political relationship may not quite keep pace, but the GOT will continue to press. Movement by Moscow on either Cyprus or toward an N-K settlement would be instrumental in pushing the relationship to a new level. End comment.

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WILSON